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MODEL  
**INCOME TAX  
ASSISTANCE  
GUIDE**

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Legal Assistance Branch  
Administrative and Civil Law Division  
The Judge Advocate General's School  
United States Army  
Charlottesville, Virginia

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## PREFACE

This publication contains Mr. Stephen W. Smith's excellent article entitled "Running an Effective Tax Assistance Program," published in The Army Lawyer, September 1991, and a recommended sample Standing Operating Procedure (SOP) for use in providing income tax assistance. All of what is contained, however, may not be applicable at a given installation. Moreover, the SOP should be modified, and in some cases expanded, to fit the operating procedures and organizational structure at your installation. Use the information presented as a guide for developing or refining your installation's tax assistance services.

The model SOP was developed based on input from programs and SOP's in use at Fort Hood and Fort Leonard Wood. Their input was greatly appreciated.

Send any comments or suggestions on how this SOP could be improved or innovative ideas that would be of assistance to others to The Judge Advocate General's School, ATTN: JAGS-ADA-LA, Charlottesville, Virginia 22903-1781.

\* \* \* \* \*

This publication is one of a series prepared and/or distributed by the Legal Assistance Branch of the Administrative and Civil Law Division of The Judge Advocate General's School (TJAGSA). Legal assistance attorneys should find this series useful in the delivery of legal assistance. The information contained herein is as current as possible as of the date of publication. Legal assistance attorneys are reminded that the law is subject to legislative amendment and judicial interpretations much more rapidly than this publication can be updated and distributed. For this reason, this publication should be used only as a guide and not final authority on any specific law or regulation. Where appropriate, legal assistance attorneys should consult more regularly updated references before rendering legal advice.

The series contains summaries of the law, guidance, and sample documents for handling common problems. The sample documents are guides only. Legal assistance attorneys should ensure that the samples are adapted to local circumstances and are consistent with current format provisions in Army Reg. 25-50 prior to reproduction and use.

While forms can save time for both attorneys and clerk-typists, indiscriminate use of such forms is inherently dangerous. Standard form language may not be fully appropriate for the

particular client's situation. Also, the use of a form detracts from the personalized, individual service attorneys strive to give their clients. Nonetheless, the careful, selective use and editing of forms can enhance an attorney's service to clients by reducing document-drafting time and helping remind the attorney of important requirements in drafting legal documents.

Legal assistance attorneys are encouraged to maintain this publication in a three-ring binder until a replacement is issued. In future years, specific page changes may be published instead of reprinting the entire publication.

\* \* \* \* \*

Each year, the Legal Assistance Branch receives many requests for its publications. However, because of limited budgetary and personnel resources, additional outside distribution of these materials in printed format may not be possible.

There are, however, several ways to obtain many of these publications. First, the Defense Technical Information Center (DTIC) makes some of these publications available to government users. Practitioners should check with their local installation library or request the necessary information and forms to become registered as a user from: Defense Technical Information Center, Cameron Station, Alexandria, VA 22314-6145, telephone (703) 274-7633.

Second, many of the Legal Assistance Branch publications have been converted to ASCII word processing documents, compressed for file storage and transmission, and uploaded on to the Legal Automation Army Wide System Bulletin Board System (LAAWS BBS). Users can sign on the LAAWS BBS by dialing (703) 693-4143 with the following telecommunications configuration: 2400 baud; parity-none; 8 bits; 1 stop bit; full duplex; Xon/Xoff supported; VT100 terminal emulation. After signing on to the LAAWS BBS, the desired publication can be downloaded to the user's computer. Consult The Army Lawyer for current information on publications available through the LAAWS BBS.

Finally, those individuals who are unable to access DTIC or the LAAWS BBS may send a written request for Legal Assistance Branch publications to TJAGSA, ATTN: JAGS-ADA-LA, Charlottesville, VA 22903-1781. The request must be accompanied by a formatted floppy disk (one per requested publication) to obtain a compressed or "zipped" version of the publication. The compressed file (having the ".ZIP" extension) will be copied onto the floppy and mailed back to the requestor. The file will have to be "exploded" before it can be used with any word processing software. From the DOS operating system C> prompt, enter pkunzip JAxxx.zip (where "xxx" is the number of the publication, "JAxxx.zip" being the name of the file). The PKZIP utility will explode the compressed file and make a new file that can be read by ENABLE or other word processing software.

The following Legal Assistance Branch publications are currently available in "zipped" format:

<u>Number</u>	<u>Title</u>
JA 260	Soldiers' & Sailors' Civil Relief Act
JA 261	Legal Assistance Real Property Guide
JA 262	Legal Assistance Wills Guide
JA 263	Legal Assistance Family Law Guide
JA 265	Legal Assistance Consumer Law Guide
JA 267	Legal Assistance Office Directory
JA 268	Legal Assistance Notarial Guide
JA 269	Legal Assistance Federal Income Tax Information Series
JA 271	Legal Assistance Office Administration Guide
JA 272	Legal Assistance Deployment Guide
JA 274	Uniformed Services Former Spouses' Protection Act - Outline and References
JA 275	Model Tax Assistance Program
JA 276	Preventive Law Series

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This publication does not promulgate Department of the Army policy and does not necessarily reflect the views of The Judge Advocate General or any government agency.

August 1993





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## CHAPTER 1

### EFFECTIVE TAX ASSISTANCE SERVICES

Colonel Arquilla, Chief, Legal Assistance Division, wrote "The New Army Legal Assistance Regulation," published in The Army Lawyer, May 1993. In his article, he provides:

"Federal and state income tax assistance--to include the preparation and electronic filing of returns--continues to be a major feature of the Army Legal Assistance Program. . . . AR 27-3 continues to recognize that installation commanders have the final say on who provides tax services on the installation. . . ." (footnotes omitted).

Army Regulation 27-3, paragraph 3-6i, currently provides:

Taxes. Legal assistance will be provided on real and personal property tax issues and on the preparation of Federal and State income tax returns. Legal assistance may be provided on estate, inheritance and gift tax matters, electronic filing of income tax returns, and appealing tax rulings and other findings based on the availability of expertise and resources. Tax assistance on private business activities is outside the scope of the legal assistance program.

(1) Income tax assistance is an important aspect of a commander's legal assistance program. Supervising attorneys should seek command support to appoint unit tax advisors (UTAs) and to recruit volunteers (e.g., through Army Community Service (ACS)). When feasible, attorneys should seek command support to obtain equipment to file electronically Federal and State income tax returns. When command support is obtained, supervising attorneys should:

- (a) Establish training programs for UTAs.
- (b) Sponsor training courses conducted by Federal and State taxing authorities on the installation.
- (c) Make tax forms available for filing returns and related petitions and appeals.

(2) Attorneys, paralegals, UTAs, and volunteers will not sign income tax returns as tax preparers, even when they render assistance in completing tax forms. When appropriate, they may indicate that such forms were prepared under the Internal Revenue Service (IRS) Volunteer Income Tax Assistance (VITA) program. Supervising attorneys will supervise all tax assistance services on their installations, except those provided by commercial tax preparers.

As you can see, the essence of a successful program is actual assistance in the completion of the tax return, not just advice on how to do it. Offices are encouraged to use initiative in identifying additional methods for delivering tax assistance.

**Running an Effective Tax Assistance Program**  
[Reprinted from The Army Lawyer, Sept. 1991, at 14]

Mr. Stephen W. Smith  
Chief, Legal Assistance Division  
3d Infantry Division, Wuerzberg, Germany

**Introduction**

New military attorneys working in legal assistance frequently find themselves overwhelmed during tax season. Appointment backlogs grow as clients seeking help with their taxes inundate the legal assistance office. Legal assistance attorneys receive more telephone calls for tax information than they can return between appointments. Waiting rooms fill up with clients wanting tax forms and assistance. The demands placed on legal assistance attorneys become so great that their morale begins to suffer and the chance of committing errors increases.

It does not have to be like this. A distinction exists between working hard and working effectively. The trick is to harness the energies of others and mobilize a team to answer tax questions and prepare tax returns.

This article provides legal assistance attorneys with suggestions on how to run an effective tax assistance program. The concepts discussed can be applied at installations in the United States and overseas. While the article was written with the newly assigned legal assistance attorney in mind, seasoned practitioners also may find ideas to incorporate into existing programs.

**Learn What Is Expected**

What is expected of a legal assistance attorney during tax season? A wealth of information is available on this subject. The legal assistance attorney must become acquainted with this information long before tax forms and forms W-2 arrive.

Staff judge advocates (SJAs) and legal assistance attorneys (LAAs) may find regulatory guidance on providing tax services in Army Regulation 27-3, paragraph 2-5a(5):

Clients wanting tax guidance and preparation assistance should first seek assistance from their unit tax advisors. LAAs will give general advice and assistance about Federal, State, and local taxes and make tax forms available for filing returns and related petitions and appeals. LAAs may complete simple income tax returns for clients. LAAs specifically may not sign as the paid preparer of tax forms. Where appropriate, LAAs should indicate that the form was prepared under the Internal Revenue Service Volunteer Income Tax Assistance program. LAAs may not give tax advice concerning private income producing business activities; this exclusion does not include tax advice concerning personal investments or renting out a client's principal residence. Tax information and training sessions, including those conducted by Federal and State tax authorities, should be sponsored on military installations. All tax assistance programs will be supervised by the SJA or senior legal officer. Requests to establish commercial tax preparation services that compete with a free service under the Army Tax Assistance Program must be approved by The Judge Advocate General. Requests will be forwarded to HQDA (DAJA-LA) WASH DC 20310-2215.

This paragraph answers basic questions about what the Army expects of legal assistance attorneys. They are to set up tax training sessions and supervise the rendering of tax services in the military community. These services will include assistance with State, local and Federal income taxes. Legal assistance attorneys should be prepared to provide general tax advice, but need not venture too deeply into the intricacies of the tax codes. No one expects a legal assistance attorney to have an LL.M. in tax law, and the regulation itself limits the extent and form of assistance a military attorney may provide. A military attorney should not assist in the preparation of unusually complex returns or returns involving business-related income because this type of activity exceeds the scope of the Army Tax Assistance Program.

The Judge Advocate General (TJAG) policy letters<sup>1</sup> and messages<sup>2</sup> contain additional guidance. The Model Tax Assistance Program,<sup>3</sup> published annually by The Judge Advocate General's School (TJAGSA), contains a model standard operating procedure (SOP) outlining the scope, preparation and implementation of a tax assistance program. The Model Program also provides program milestones, information papers, tax form request letters, sample newspaper articles, posters, and after-action reports. A few hours spent studying this valuable resource may save several weeks of work later in the season.

TJAGSA also publishes an annually updated Tax Information Series,<sup>4</sup> which is full of helpful handouts, and The Legal Assistance Attorney's Federal Income Tax Guide,<sup>5</sup> a research aid

that follows the format of Form 1040. The United States Air Force Judge Advocate General's School compiles the annual All States Income Tax Guide,<sup>6</sup> an excellent summary of State income tax laws. Additional information on State income tax liability can be found in appendix G of the Voting Assistance Guide.<sup>7</sup> The Internal Revenue Service (IRS) publishes a wide variety of research and training aids.<sup>8</sup> IRS Publication 17, Your Federal Income Tax, is an essential reference; it contains answers to most of the Federal tax questions clients ask. The five-volume IRS Publication 1194, Tax Information Publications,<sup>9</sup> expands upon the information contained in Publication 17. No tax library is complete without a copy of IRS Publication 1132, Reproducible Federal Tax Forms for Use in Libraries,<sup>10</sup> or Package X, Informational Copies of Federal Tax Forms.<sup>11</sup> Legal assistance attorneys also should ensure that their offices have the latest editions of the Internal Revenue Code and complete sets of Federal Income Tax Regulations.

After becoming familiar with these sources, the legal assistance attorney must discuss the tax program with the staff judge advocate. The legal assistance attorney's recommendations on how to structure the tax program will carry more weight if the attorney clearly understands what is required by regulation. The discussion should take place in August or September --well before tax season begins -- to allow the attorney plenty of time to implement the tax assistance program.

With proper preparation, the attorney should be able to fashion a program tailor-made to the needs of the community -- a program that will satisfy the expectations of taxpayers, the staff judge advocate, and the commander.

### Preparing for the Tax Season

What ensures the success of a tax assistance program? The following elements are essential:

- (1) Advance planning by legal assistance attorneys;
- (2) Conscientious unit tax advisors (UTAs);
- (3) Command support;
- (4) IRS support;
- (5) Army Community Service (ACS) support.

Not one element can be sacrificed without compromising the quality of the program.

After the staff judge advocate approves plans for the tax program, the legal assistance attorney must begin to prepare for the tax season. The attorney can do many things between September and January to ensure the success of the tax program.

#### Develop a Standard Operating Procedure

By outlining program policies, procedures, and responsibilities in writing at the outset, the legal assistance attorney reduces the chances of confusion and conflict. The SOP in the Model Tax Assistance Program<sup>12</sup> easily can be adapted for local use. Likewise, a legal assistance attorney can promote efficiency by issuing a letter of instruction (LOI) for all tax advisors in the command.<sup>13</sup>

At a minimum, the SOP or LOI should cover training and reporting requirements, describe the scope of assistance to be rendered, and set forth the staff judge advocate's policies on referring taxpayers to the legal assistance office. A tax assistance worksheet should be enclosed, with instructions on how to use it to send statistical reports to the legal assistance office.

#### Secure Command Support

The staff judge advocate will get the best results by persuading his or her commander to play an active role in the tax assistance program. Without command support, the legal assistance attorney's efforts are less likely to succeed.

A tax assistance program SOP or LOI can be a useful tool to obtain command support. Commanders generally are more willing to endorse a program that is defined clearly on paper. The staff judge advocate can use the SOP or LOI to brief the commander on the tax program and should enclose it with decision papers.

A commander may demonstrate support for the tax program in several ways. He or she can emphasize the importance of the tax assistance program at staff calls and commanders' conferences. In addition, the commander should sign a memorandum in the fall requiring company or battalion level unit commanders to appoint well-qualified UTAs, sending this memorandum through brigade and battalion commanders to obtain their support. To facilitate the appointment process, the commander should address an "additional duty appointment" form to the legal assistance attorney and attach it to the memorandum. The commander also ought to consider signing a memorandum for the tax advisors explaining exactly what the commander expects them to do. The legal assistance attorney then should place this memorandum in welcome packets to be handed out on the first day of the tax training seminar in January.

The staff judge advocate should invite the commander to address the tax training seminar. Upon the commander's acceptance, the legal assistance attorney can draft a speech for the commander, strongly endorsing the concept of free tax assistance. A visit by the commander serves two purposes: it alerts tax advisors to the commander's interest in the success of the tax program, making them "sit up and take notice," and it provides the commander with an opportunity to see the effort the staff judge advocate's office has put into organizing the tax training.

### Coordinate with the Internal Revenue Service

Legal assistance attorneys too often view the IRS as an adversary. Attorneys tasked with running a tax assistance program should think of the IRS as an ally. By forging a close relationship with the IRS, they can ensure the success of their tax training programs and enhance their abilities to help clients who have serious tax problems.

The IRS sponsors the Volunteer Income Tax Assistance (VITA) program, which trains volunteers to provide free tax assistance. VITA seminars usually are taught by experienced taxpayer service specialists, who receive special training before being sent out to teach. These instructors have a great deal of experience in processing tax returns and in assisting taxpayers.

For a legal assistance attorney with little or no practical tax experience, having an IRS VITA instructor teach tax advisors makes good sense. Taxpayer service specialists are equipped better to answer the myriad questions tax advisors ask about filing and audit procedures than is an inexperienced attorney. Moreover, when the IRS does the teaching, the legal assistance attorney can devote his or her attention to organizing the tax program.

Close coordination with the IRS is essential, not only to lining up a VITA instructor, but also to securing adequate training materials and tax forms. The VITA training manuals are the best step-by-step tax guides available, but they will not arrive automatically; the attorney must order VITA materials in the fall and periodically must check on the status of the order to ensure the materials are delivered in time.

### Involve Volunteers

Although UTAs are a primary source of tax assistance to soldiers and their family members, they cannot meet the needs of all the taxpayers in the military community. For example, civilian employees and retirees also need tax assistance; however, they neither are assigned to a military unit nor are dependents of a



soldier on active duty. Moreover, family members of active duty soldiers are sometimes reluctant to share information about their finances with someone in their sponsor's chain of command, and may prefer to seek tax assistance from someone other than their UTAs.

To meet the needs of these taxpayers, the legal assistance attorney may wish to coordinate with ACS to recruit and organize teams of volunteer tax advisors. ACS volunteers can staff tax assistance centers and electronic filing sites, providing an important alternative for taxpayers who cannot or will not avail themselves of the services of a UTA.

To obtain the assistance of ACS, the legal assistance attorney must enlist the support of the community ACS officer, and invite ACS financial counselors and volunteers to attend tax training seminars. In recent years, ACS has attempted to reduce its role in the Army Tax Assistance Program. A legal assistance attorney who encounters reluctance on the part of ACS to support the program should remind the ACS officer that the Army Chief of Staff has directed local ACS offices to use volunteers to supplement UTAs.<sup>14</sup> If this reminder does not suffice, the attorney may need to seek the help of the staff judge advocate.

If used, ACS tax advisors must understand the reporting requirements of the tax program because the legal assistance attorney must report their statistics to Headquarters, Department of the Army, in a separate "volunteer" category at the end of tax season.

#### Set Up Tax Training Seminars

Tax training seminars provide the legal assistance attorney with an opportunity to get the tax program off on the right foot. Ideally, each seminar will combine technical tax training and administrative instructions with pep talks by the staff judge advocate and the commander.

Tax advisors who are providing tax assistance for the first time should attend at least two-and-a-half days of tax training. Three or four days of training is preferable. For veteran tax advisors, a one- or two-day refresher course is usually adequate. At a minimum, the training should cover preparation of forms 1040EZ, 1040A, and 1040. Trainers also should address State income tax and, at overseas locations, foreign tax issues. In all seminars, regardless of which subjects are emphasized, practical exercises are indispensable.

Selecting the right location for the tax seminar is critical. Movie theaters are not suitable for tax training. Attendees will need cafeteria-size tables to permit them to read from several training manuals at once. Legal assistance attorneys should

request the use of dining facilities for classrooms, or use training funds to rent the ballroom of the local officers' club.

Running an effective tax training seminar also requires extensive coordination and advance work. Legal assistance attorneys should make hotel reservations for their VITA instructors and write to them, describing their community, the tax assistance program, and the topics of greatest concern to their tax advisors. To the maximum extent possible, they must ensure that tax training does not conflict with other training or field exercises. Accordingly, they should lock-in tax training dates on the command training calendar and on the community major events calendar. Attorneys also should ask the commander or chief of staff to excuse attendees from all other conflicting duties during tax training. Finally, they should conduct a media blitz, using direct mail, distribution, e-mail, telephone calls, and bulletin announcements to notify commanders and tax advisors of the time and location of the seminar. The blitz should commence at least one week before the seminar opens.

The legal assistance attorney must pay attention to details during the seminar. The teacher and the attendees should have refreshments. A public address system is essential, as is a podium, a blackboard, and an overhead projector with a screen. The attorney should provide back-up systems for all audio-visual equipment and should set up a message board in the back of the room to minimize interruptions. Tax trainers should take attendance at different times each day, to prevent attendees from simply signing in and leaving. They also should provide attendees with a basic issue of tax forms on the last day of the seminar to cut down on taxpayer traffic in the legal assistance office.

Legal assistance attorneys who do not take charge of their tax training seminars are courting disaster. Murphy's Law is particularly applicable to a large scale training effort. Nothing is as easy as it looks. Everything takes longer than you expect. And if anything can go wrong it will -- at the worst possible moment.

#### Build a Tax Advisor Data Base

Legal assistance attorneys should build a tax advisor data base on Enable, using information taken from appointment orders and tax training seminar registration forms. This type of data base makes the job of coordinating the tax program much easier. It can be used to print address labels for mass mailing of tax memoranda and materials to tax advisors, provide information needed for coordination with unit commanders, and produce lists of tax advisors for publication on legal assistance bulletin boards and community newspapers.

### Order Extra Tax Forms and Resources

All the work put into organizing the tax program and training tax advisors will be for naught if tax forms fail to arrive on time. Although higher headquarters normally will order Federal and State tax forms for legal assistance offices, the forms distribution system occasionally breaks down. To ensure their offices are not caught empty-handed when taxpayers start asking for tax forms in January, legal assistance attorneys should order a back-up supply of State and Federal income tax forms well before the tax season opens. Attorneys may obtain Federal forms from their servicing IRS Forms Distribution Centers and may obtain State forms from the State tax authorities listed in the Air Force's All States Income Tax Guide.

Commerce Clearing House (CCH) produces a multivolume looseleaf service, that contains reproducible versions of every State income tax form legal assistance clients likely are to need.<sup>15</sup> The Army Law Library Service no longer will supply this invaluable publication. Staff judge advocate offices therefore must order it directly from CCH, using local funds. The service, however, is well worth the expense, and should be a permanent part of every legal assistance office's tax library.<sup>16</sup>

### Gear Up for Electronic Filing

Electronic filing of Federal income tax returns has become an important part of the tax assistance program at many military installations in the United States and will be available at some overseas locations this year. Electronic filing reduces errors and speeds up processing time, permitting refunds to be deposited directly into the taxpayer's bank account.

The IRS publishes several pamphlets on electronic filing. An extended discussion of how to set up an electronic filing program can be found in the September 1989 issue of The Army Lawyer.<sup>17</sup>

### Publicize the Program

Training tax advisors, if no one knows they exist, is pointless. Legal assistance attorneys and tax advisors must work together to publicize the tax assistance program. Attorneys need to take the lead in letting the public know free tax help is available. Radio announcements, newspaper articles, weekly bulletins, and Headstart briefings can help get the word out. Attaching notices to soldiers' February leave and earnings statements, informing them that free tax help is available, is another good way to publicize the program; however, legal assistance attorneys will have to coordinate this in advance with finance officials. Tax advisors also can advertise their services

by addressing unit formations and by putting up "free tax help" posters in mail rooms, day rooms, dining facilities, theaters, and other high traffic areas.<sup>18</sup>

### Keep Things Under Control

Attorneys easily can be overcome by events and miss important deadlines during tax season. The best way to stay on top of things is to set up a special planning calendar containing all the critical dates for coordinating tax training, ordering forms, and turning in statistical reports.

The additional burdens imposed on legal assistance offices during tax season can be managed effectively by following a few simple rules.

Monitor tax materials as they come in. Reorder any tax forms that have not arrived by February.

Ration tax forms to one or two per customer. Tax forms left unattended on a table in a hallway or waiting room may disappear quickly, but often are never used.

Make sure that UTAs do their jobs. Taxpayers should consult their UTAs before seeing legal assistance attorneys. Legal assistance attorneys should advise UTAs instead of taxpayers whenever possible, and should accept a referral only when a taxpayer's case requires a lawyer's expertise.

Train legal assistance secretaries and support personnel to ask taxpayers seeking tax assistance whether they have discussed the matter with a tax advisor and to refer taxpayers to UTAs whenever possible. When the taxpayer already has seen a tax advisor, secretaries and support personnel should encourage the taxpayer to relay his or her question to the legal assistance attorney through the taxpayer's UTA.

Communicate regularly with tax advisors and remind them to report statistics. Monitor the statistics to see who is doing the job and who is not.

Have tax advisors come to the legal assistance office with a consolidated list of tax forms needed by unit members. This reduces congestion in the waiting room and leaves the UTAs more time to devote to their missions.

## **Make a Good Program Better**

What if you are assigned to an office that already has a thriving tax assistance program? What can you do to make a good program even better?

### **Institute Quality Control Measures**

Nothing is more damaging to a tax assistance program than a few well-meaning, but incompetent, tax advisors who give out bad tax advice. The Army Rules of Professional Conduct for Lawyers require that lawyers provide competent representation to clients,<sup>19</sup> and that they make reasonable efforts to ensure that the conduct of the nonlawyers they supervise is compatible with the professional obligations of a lawyer.<sup>20</sup>

Screening volunteers is not easy. No one wants to look a gift horse in the mouth. Even so, each potential tax advisor should take the Volunteer Income Tax Assistor test<sup>21</sup> before he or she assumes his or her duties. Anyone who fails the test should be required to study the course materials again and take a retest. Volunteers who do poorly on the retest should not provide clients with tax assistance.

Commanders need to know the profile of a good tax advisor. Ideally, each commander should appoint a bright, highly motivated unit tax advisor who has at least a year left in the unit at the time of his or her appointment and who will be able to devote sufficient time to the program.

Tax advisors must be sensitized to ethical issues that are likely to arise during tax season. Caution them against accepting payment or favors, and warn them to avoid even the appearance of impropriety or partiality -- for example, referring taxpayers to a friend who is a commercial preparer. Tax advisors also should refuse to assist taxpayers who want to falsify their returns.

### **Take Your Program to the People**

Legal assistance attorneys who run the best tax assistance programs do not sit behind their desks, waiting for tax clients to be referred to them. Instead, they take their programs to the people.

One very effective way to do this is to organize battalion-size "tax days." This permits the legal assistance attorney to brief hundreds of soldiers at one time, after which the UTAs can prepare soldiers' tax returns while the soldiers wait.<sup>22</sup> Another technique, which has worked well in Europe, is to operate a mobile tax assistance trailer staffed by legal assistance personnel and

volunteers.<sup>23</sup> Parking the trailer in front of the entrance to the main post exchange attracts maximum attention and ensures a steady flow of clients.

A comprehensive, well-disseminated tax information program is the hallmark of a good tax assistance program. A strong information program not only tends to publicize the tax assistance program, but also increases overall awareness of tax issues in the military community. To achieve these objectives, legal assistance attorneys should write articles for command information newspapers -- pointing out recent changes to tax laws -- or produce radio features or take part in radio phone-in programs on taxes. Television spots can be an even more effective way of providing the public with tax information.<sup>24</sup>

### Recognize the Efforts of Your Tax Advisors

Napoleon once observed that "it is with baubles that men are led." Outstanding efforts by tax advisors deserve recognition. Persons who serve as unit or volunteer tax advisors for an entire tax season ought to be recognized formally for their efforts. This recognition not only rewards deserving individuals, but also provides an incentive for new tax advisors.<sup>25</sup> The IRS provides attractive VITA certificates that thank tax advisors for their "noteworthy contributions."<sup>26</sup> Legal assistance attorneys should send these certificates to commanders to present to tax advisors. Commanders also may wish to recognize truly exceptional performance with appropriate medals or awards.

Another way to show tax advisors that their efforts are appreciated is to throw end-of-tax-season parties or receptions. These are particularly appropriate when there are a large number of volunteer tax advisors in a community.<sup>27</sup>

### Write an After-Action Report and Share Successes

Legal assistance attorneys must be sensitive to tax reporting requirements. The IRS requires tax-preparers to file periodic statistical reports. Failure to provide these reports in a timely manner can compromise funding for future VITA seminars. The Army Legal Assistance Office (DAJA-LA) also requires an end-of-tax-season statistical report, which must be signed by the staff judge advocate.

Statistics alone, however, cannot tell the whole story. Many good ideas are lost at the end of each tax season because they are never committed to paper. Judge advocates serving as legal assistance attorneys usually change jobs after a year or so, and they seldom serve through two consecutive tax seasons. Unless they record their experiences, their successors will have to learn from

scratch. Passing on a tax planning calendar or drawing up an after action report gives next season's legal assistance attorneys a leg up.

The knowledge a legal assistance attorney learns in a single tax season should not be limited to his or her immediate successor. All the Army should benefit. Accordingly, legal assistance attorneys must try to prepare after-action reports that their staff judge advocates can forward to higher headquarters without revision. A good after-action report that finds its way into the right hands at higher headquarters can bring about systemic changes that will improve the Army Tax Assistance Program for everyone.

Similarly, a legal assistance attorney should share ideas and innovations from his or her tax assistance programs with the Legal Assistance Branch of TJAGSA's Administrative and Civil Law Division. This permits the Legal Assistance Branch to incorporate this information in future editions of the Model Tax Assistance Program.

Legal assistance attorneys should bear in mind that they can benefit personally from sharing their accomplishments. Skilled administration of a tax assistance program may warrant nomination for either an Army Community of Excellence award or the Army Chief of Staff Award for Excellence in Legal Assistance.

### Conclusion

Tax season represents a golden opportunity for legal assistance attorneys to get out from behind their desks and become leaders in their military communities. They can do a lot of good for the soldier and can generate positive publicity for their legal assistance offices. Legal assistance attorneys who do their homework, prepare for tax season, maintain control of their programs, and seek ways to improve them likely will be rewarded with even greater professional challenges.

1. Policy Letter, HQ, Dep't of Army, DAJA-LA, 13 Oct. 88, subject: 1989 Army Tax Assistance Program; Policy Letter, HQ, Dep't of Army, DAJA-LA, 18 Oct. 85, subject: Army Tax Assistance Program.
2. Message, HQ, Dep't of Army, DAJA-LA, 242010Z Jun 88, subject: The Army Tax Assistance Program (ATAP) and Paid Preparer Services on Post.
3. Legal Assistance Branch, Administrative and Civil Law Division, The Judge Advocate General's School, U.S. Army, The Model Tax Assistance Program, (Sept. 1990).
4. Legal Assistance Branch, Administrative and Civil Law Division, The Judge Advocate General's School, U.S. Army, Tax Informational Series (Jan. 1990).
5. Legal Assistance Branch, Administrative and Civil Law Division, The Judge Advocate General's School, U.S. Army, The Legal Assistance Attorney's Federal Income Tax Guide (Jan. 1990).
6. Preventive Law Programs, Air Force Judge Advocate General's School, U.S. Air Force, All States Income Tax Guide (1991)(distributed by the Director, Preventive Law Programs, Air Force Judge Advocate General's School, Maxwell Air Force Base, Alabama 36112-5712).
7. Dep't of Army, Pam. 360-503 (1990); see also Dep't of Navy, NAVPERS 15562 (1990); Dep't of Air Force, Pam. 211-4 (1990); Dep't of Navy, NAVMC 1174 (Rev. 88); Dep't of Navy, COMDTINST M1742.2.
8. Internal Revenue Serv., Pub. 17, Your Federal Income Tax (1991) [hereinafter IRS]; IRS, Pub. 678, Volunteer Assistor's Guide (1991); IRS, Pub. 678-M, Volunteer Assistor's Guide (Military Module) (1991); IRS, Pub. 678-I, VITA International (1990); IRS, Pub. 776, Overseas Filers of Form 1040 (1991).
9. This reference work contains all IRS looseleaf publications. The numbers of the publications contained in each volume appear on the spine of that volume.
10. This publication is designed to fit in a three-ring looseleaf binder. The pages can be taken out and placed flat on a photocopier, for excellent copy quality.
11. Refer to the table of contents in volume 2 of this two-volume bound publication for a complete listing of Package X forms.
12. See supra note 3.
13. E.g., Memorandum, HQ, 3d ID, AETS-JA-LA, 18 Jan. 91, subject: 1991 Marneland Tax Assistance Program LOI (appendix 2).



14. Message, HQ, Dep't of Army, DACS-ZA, 081736Z Sep 87, Army Tax Assistance Program.
15. State Personal Income Tax Forms, (CCH) (distributed by Commerce Clearing House, Inc., 4025 W. Peterson Avenue, Chicago, Illinois 60646, Tel. (312) 583-8500).
16. IRS, Pub. 1345, Revenue Procedure for Electronic Filing of Individual Income Tax Returns (1991); IRS, Pub. 1346, Electronic Return File Specifications for Individual Income Tax Returns (1991); IRS, Pub. 1347, Electronic Return Record Layouts for Individual Income Tax Returns (1991).
17. Captain Jose F. Monge's note, Electronic Filing of Income Tax Returns: A Recommended Approach, is essential reading. See The Army Lawyer, Sept. 1989, at 47.
18. The Model Tax Assistance Program, supra note 3, contains a series of reproducible posters beginning at page 55.
19. Dep't of Army, Pam 27-26, Rules of Professional Conduct for Lawyers, Rule 1.1, (31 Dec. 1987) [hereinafter Professional Conduct], states: "A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation."
20. Professional Conduct, Rule 5.3(b) states: "With respect to a nonlawyer under the authority, supervision, or direction of a lawyer . . . a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer."
21. IRS, Pub. 6744, Volunteer Assistor's Guide Test (1991).
22. 1st Armored Division's Bamberg office often has organized mass tax assistance sessions for entire battalions.
23. 8th Infantry Division's Baumholder office has run a mobile tax assistance trailer for several years.
24. Mr. John K. Martensen of V Corps and Mr. Jerry E. Shiles of 21st TAACOM have become familiar faces to viewers of Armed Forces Network television in Germany, where their "AFN Tax Advisor" spots are aired repeatedly during tax season.
25. 3d Infantry Division presented Tax Advisor of the Year awards in each of its military communities in 1990. Commanders and supervisors were invited to nominate tax advisors who had done an exceptional job for this honor. Winners received a certificate

signed by the community commander and were invited to address the tax training seminar.

26. IRS Form 4659-B.

27. 21st TAACOM's Mannheim office threw an end-of-tax-season reception for its UTAs in July 1989. Refreshments were served along with a cake that read "Thank You UTAs." A group photograph was taken. Tax advisors were encouraged to bring their last statistical report with them and to submit it in exchange for their VITA certificate.

## CHAPTER 2

### TAX ASSISTANCE SERVICES

#### STANDING OPERATING PROCEDURE

##### I. GENERAL.

- A. **PURPOSE:** Tax return preparation is perceived as so complicated and time consuming that many soldiers will not attempt it. Rather, they will pay another agency to prepare their taxes. Many soldiers who do prepare their own taxes fail to claim legitimate deductions and credits. Additionally, some of those who pay for assistance fall victim to a few unscrupulous firms which offer income tax refund discounting schemes. These schemes are generally illegal and charge the user an unreasonable interest rate. Members of the military community deserve better care and should not have to hire a commercial preparer to get their taxes prepared in most cases. The military has an interest in insuring that its people file their income tax returns accurately and expeditiously. This can all be accomplished by providing effective Tax Assistance Services (TAS).
- B. **APPLICABILITY:** This SOP applies to all Fort Blank personnel designated to support the Fort Blank TAS.
- C. **ORGANIZATION AND STAFFING:** The Fort Blank Legal Assistance Office directs the Fort Blank TAS. The unit and volunteer tax assistants also support Fort Blank TAS.
- D. **RESPONSIBILITIES:**
- 1.. The Staff Judge Advocate is responsible for:
    - a. Installation TAS.
    - b. Selection of a Tax Officer and personnel for the tax office.
  2. The Administrative Officer is responsible for logistic support of the TAS and Tax Office to include computer hardware and software, office space, telephone service, and transportation.
  3. The Chief Legal Noncommissioned Officer is responsible for identifying and detailing enlisted soldiers to support the TAS.

4. The Chief, Legal Assistance Branch, is responsible for direct supervision of the Tax Officer and installation TAS.
5. The Tax Officer is responsible for:
  - a. Daily operation of the Tax Office and TAS.
  - b. Serving as liaison with IRS.
  - c. Preparation of all correspondence pertaining to the TAS.
  - d. Coordination of all tax instruction.
  - e. Obtaining IRS forms and educational materials.
  - f. Publicizing TAS.
  - g. Preparing lists of unit and volunteer tax assistors.
  - h. Liaison with Army Community Services (ACS) and supervision of the Volunteer Tax Assistor's Program.
  - i. Coordination and operation of the Outreach Program.
  - j. Training electronic return originators (EROs).
  - k. Arranging for a representative to be available at Fort Blank to accept applications for social security numbers.

II. **SCOPE OF TAS.** The TAS is a command directed program. It is designed to provide Federal and State income tax preparation return preparation assistance to soldiers and their family members. TAS is a command directed program conducted with the cooperation of the Internal Revenue Service (IRS) under its Voluntary Income Tax Assistor's Program (VITA). TAS consists of the following components:

- A. **Unit Tax Assistor Component.** Because of the large number of eligible legal assistance clients at an installation who will need assistance in filing income tax returns, the legal assistance office cannot possibly assist in the preparation of all returns. Accordingly, designated unit tax assistors (UTA) will be primarily responsible for assisting soldiers. One or more UTAs will be appointed for each company size unit. These soldiers will be

trained in Federal income tax preparation by IRS instructors, judge advocates officer, or firms that train tax advisors.

Similar instruction on State tax preparation should be obtained from State agencies. UTAs will assist soldiers in their unit in preparing their returns. Questions beyond the expertise of the unit tax assistor will be referred either to the IRS toll free service or to the post Tax Officer.

- B. Volunteer Tax Assistor Component. This component organizes delivery of services to other eligible personnel, such as family members of soldiers who are not assigned to the post. Army Community Services (ACS) will identify volunteers who are willing to donate their time during the months of January through April to provide income tax assistance. The volunteers will be trained along with UTAs. Tax preparation assistance will be offered at one or more tax offices established on the installation during the tax season. The Tax Office(s) will be under the operational control and supervision of the Tax Officer.
- C. Outreach Component: The Outreach Component is an effort to educate personnel concerning the tax law, and involves arranging for representatives of the IRS and other agencies to speak to units and civic groups. The discussions can address changes in the tax law, general information about such items as tax deductions and credits, or any specific topics desired by a certain group.
- D. Legal Assistance (Tax Office). The Staff Judge Advocate's Office will establish a Tax Office staffed to provide both the administrative support and the technical information services needed by unit and volunteer tax assistors. This includes obtaining and distributing the necessary State and Federal tax forms and answering questions from UTAs and volunteer tax assistors. Additionally, appointments will be made to see the Tax Officer or other legal assistance officers for personnel with the more difficult tax problems. Legal assistance attorneys will not prepare entire returns, but rather, will assist clients with resolving specific tax issues or problems with completion of portions of a return.
- E. Information Component. Success of the program depends on both command support and an active information program. The availability of TAS must be advertised by an aggressive information program.

III. **PLANNING AND PREPARATION STAGE OF TAS.** Success of TAS depends on detailed and timely planning and preparation by the Tax Officer. The following are some of the more important steps in that preparation and planning:

- A. **Milestones.** TAS will be initiated each year by obtaining SJA approval of the milestone schedule (Appendix 1). The milestones can be used as a general checklist.
- B. **Command Support.** TAS must be a command directed program. The Tax Officer will prepare and staff a decision paper outlining the program (Appendix 2).
- C. **Coordination with IRS.** Early contact and close coordination with IRS is essential. The Tax Officer will identify the IRS contact person and then request instructor support, if required, in writing (a sample letter is at Appendix 3). This request should also identify training materials needed. An example of such materials is also in Appendix 3.
- D. **Tax Forms.** The Tax Officer will request Federal and State tax forms to support the TAS. Federal forms may be ordered using IRS Form 2333V by consulting the supporting IRS Taxpayer Education Office. A list of State tax offices from which State forms can be obtained and a sample letter requesting them are at Appendix 4. The Tax Officer can coordinate with the finance office to determine the numbers of soldiers at the installation who claim the various States as domicile for State tax purposes.
- E. **Scheduling of VITA Training.** The Tax Officer should make early coordination with the G-3 to schedule VITA training. The training should occur in early January, but unit training schedules should be considered and accommodated to the maximum extent possible. Once the training dates have been selected, an appropriate class room should be requested and reserved.
- F. **Unit Tax Assistors.** After the decision paper has been approved, the Tax Officer will prepare a letter of instruction for units requesting each company sized unit to provide the names of one or more unit tax assistors (a primary and an alternate is desirable) to the Tax Officer (a sample letter is at Appendix 2). Unit legal clerks are eligible to serve as tax assistors. The Tax

Officer will publish a list of these assistors.

- G. Volunteer Tax Assistors. Army Community Services (ACS) will serve as the action agency for identifying volunteer tax assistor's. The Tax Officer will assist ACS by preparing an announcement for the Daily Bulletin and an article for the post newspaper explaining the volunteer program and seeking volunteers (Appendix 5). The Tax Officer will coordinate with ACS to obtain the names of volunteers. Additionally, the Tax Officer will identify a location(s) for a tax office from which the volunteer tax assistance will be offered. The Tax Officer will compile a list of volunteers based on input received from ACS. Volunteers can be civilians or soldiers. Legal clerks and unit tax assistors may also serve as part of the ACS volunteer program.
- H. Tax Officer Training. Success of the program depends on the expertise of the Tax Officer. Although many legal assistance attorneys have studied Federal income tax, few have much experience or expertise in actual income tax preparation. Accordingly, it is wise for the Tax Officer to enroll in a commercial tax preparation course or attend a similar tax training program (Air Force JAG School provides one), prior to the tax season. The Tax Officer should be trained in the tax law and tax preparation of the State in which the installation is located so the Tax Officer can provide State tax instruction to unit and volunteer tax assistors if State tax personnel are not available to give the instruction.
- I. Operation Outreach. The Tax Officer will coordinate with IRS to obtain instructors for Operation Outreach. The availability of IRS instructors will be advertised to units and staff sections and requests for outreach classes will be taken. Dates, times, and places for the classes will be recorded and classrooms should be reserved. An escort for the IRS instructor will be provided. The Tax Officer will send IRS a copy of the class schedule. The Tax Officer will coordinate announcements and other publicity for the classes. Steps in planning the Outreach Program are at Appendix 6.
- J. Social Security Number Day: The Tax Officer will contact the local Social Security Office and determine when a representative will be available to accept applications for SSN's. The Tax Officer will ensure that SSN Day is publicized.

#### IV. IMPLEMENTATION OF TAS.

##### A. VITA Classes.

1. The week prior to the classes, unit and volunteer tax assistors will be sent a reminder of the class, indicating the time, location, and what materials should be brought to the class. The Tax Officer is responsible for insuring availability of the class room, training materials, and needed training aids. A reminder of the class will be placed in the weekly bulletin.
2. The Tax Officer will serve as escort for the IRS instructors, who should be extended every courtesy. The Tax Officer will insure that attendance is taken daily. Prior to conclusion of the class, the Tax Officer will insure that the IRS toll-free assistance number is given to the attendees. An examination will be administered, the Tax Officer should be given a certificate of completion, and the Tax Officer is responsible for completing the certificates.

B. Information Program. Success of the TAS depends on an aggressive information program. The Tax Officer will place repeated announcements in the daily bulletin and post newspapers advertising the TAS and use radio and TV announcements when available. Additionally, substantive articles and short tax vignettes should be prepared and submitted for the post newspaper and weekly bulletin. Examples of past articles are at Appendix 7. The outreach classes should be widely publicized. Begin the tax season by advertising a Tax Education Week, during which the VITA classes occur and a number of outreach classes are given. This will encourage taxpayers to get organized early for filing of returns. Individuals should also be cautioned about the dangers of income tax refund discounting.

C. Outreach Program. The Tax Officer will supervise the outreach program. This includes: insuring that classrooms are ready, including any desired training aids; that an escort is appointed for each IRS instructor; and that the number attending the classes is recorded and reported to the Tax Officer.



D. VITA Assistance.

1. Once training is complete, income tax preparation assistance will begin, both by the unit and volunteer tax assistors. Volunteer assistors will provide assistance from the tax office under the supervision and control of the Tax Officer. Emphasis should be placed on getting returns in early. The SJA should request that commanders mention this during commander's call and at other appropriate times.
2. The Tax Officer is responsible for providing assistance to unit tax and volunteer tax assistors concerning matters beyond their expertise.
3. The Tax Officer will obtain weekly reports from unit tax and volunteer tax assistors concerning their level of assistance (Appendix 8). A copy of this weekly report will be sent to IRS which needs the feedback to justify the support given the installation.
4. Tax assistance should be made available at convenient times. This would include offering assistance occasionally during the evenings and on weekends. The Tax Officer will establish a "tax weekend" each month and advertise the availability of tax assistance during this weekend. Unit tax assistors should be encouraged to provide time in the training schedule for tax preparation and may render assistance to groups of soldiers at a time which will maximize efficiency.
5. Tax assistors will not sign returns. Rather, they will print "VITA" or "VITA-T" in the block for paid preparers.

E. Tax Office Operations.

1. During the income tax preparation season the Legal Assistance Office will staff a tax office under the supervision of the Tax Officer. The office will be responsible for providing assistance to unit and volunteer tax assistors. This includes providing forms and answering questions beyond the capability of the unit and volunteer tax assistors.
2. General preparation assistance from Volunteer Assistors may be rendered on an appointment or walk in basis or some combination of both. Appointments

to see the Tax Officer or another Legal Assistance provider for individuals with tax problems beyond the capability of unit or volunteer tax assistors will be made by the tax assistor on behalf of the patron. The services rendered by Legal Assistance Attorneys will be within the limitations prescribed by AR 27-3 (i.e., the preparation of partnership or corporate tax returns or matters relating to income producing business activities is not authorized). The Tax Officer will be responsible for seeing that proper assistance is provided.

3. To assist unit and volunteer tax assistors, the Tax Officer will develop and distribute a VITA newsletter containing tax information and answers to recurring questions from unit and volunteer tax assistors. The Tax Officer may find JA 269, Legal Assistance Federal Income Tax Information Series (published annually) and IRS Publication 1049B helpful.
4. The Tax Officer will monitor the progress of the TAS and render weekly reports to the SJA and IRS. The Tax Officer will coordinate with IRS as to the format and method for submission of reports. A sample format is at Appendix 8.

#### V. AFTER ACTION REPORT.

- A. After the tax filing season the Tax Officer will prepare a final report of assistance rendered. This report will be submitted to the SJA for approval.
- B. A final report of assistance rendered will be prepared and sent to IRS.
- C. The Tax Officer will prepare an article for the post newspaper discussing the success of the program and publicly thanking the volunteers and IRS.
- D. The Tax Officer will prepare certificates of appreciation for unit and volunteer tax assistors. These will be signed by the SJA and distributed.
- E. The Tax Officer will prepare letters of appreciation for the IRS volunteers.

- F. The Tax Officer will obtain from the SJA a designation of the Tax Officer for the upcoming season.
- G. An after action report will be provided to the Judge Advocate General (HQDA, DAJA-LA, 2200 Army Pentagon, Washington, D.C. 20310-2200) ordinarily not later than 15 June (or the date specified by the Legal Assistance Division, OTJAG. The report will be in the format prescribed by DAJA-LA.

## APPENDIX 1 TO FORT BLANK TAX ASSISTANCE SERVICES

### TAX ASSISTANCE MILESTONES

This appendix shows the milestones for the Fort Blank Tax Assistance Services. (Dates should be inserted in place of the phrase "First Week", etc.)

SUBJECT: Fort Blank Tax Assistance Services Milestones

#### Fourth Week of July

SJA selects Tax Officer.

#### First Week of August

1. Telephone contact to IRS to establish VITA point of contact. Discuss tentative dates for VITA instruction during the second week of January.

2. Tentatively reserve the classroom (post theater, other location) as a site for the classes for the second week of January.

#### Third Week of August

1. Prepare decision paper for SJA requesting approval of the Fort Blank Tax Assistance Services.

2. Finalize reservations for VITA classes at the classroom in writing.

#### First Week of September

1. Send decision paper to SJA. Attach copies for concurrence.

2. Make formal coordination with ACS concerning the Volunteer Tax Assistor's Services.

3. Prepare and mail letters to State and Federal taxing authorities requesting tax forms and instruction materials for preparation of tax forms.

4. Identify tax preparation courses for attendance by the Tax Officer.

#### Third Week of September

Make reservations for primary and backup audio-visual and sound systems and for overhead projector and microphone for VITA classes.

### First Week of October

1. Finalize dates for VITA training.
2. Distribute MOI requesting units to provide names of Unit Tax Advisors.
3. Meet with VITA POC. Coordinate VITA classes and establish reporting format.
4. Send letter to ACS implementing the volunteer Tax Assistor's Program.
5. Submit article to post newspaper and item for weekly bulletin soliciting volunteers for the Volunteer Tax Assistor's Program.
6. Order software for electronic filing.

### Third Week of October

1. Contact VITA instructors; make hotel reservations for them as necessary.
2. Send reminder to units requesting names of Unit Tax Assistors.
3. Confirm classroom site, to including use of the audio-visual equipment.

### First Week of November

1. Complete list of unit tax assistors.
2. Pick up VITA materials.
3. Assemble packets to be distributed to classes.
4. Chief of Legal Assistance should become familiar with material in the event he or she needs to fill in as an instructor.
5. Order additional forms from IRS if necessary.
6. Begin advertising the who, what, where, and when of VITA instruction in post newspaper.
7. Begin information campaign regarding VITA program (post TV, radio, newspaper, local paper).
8. Begin advertising in post newspaper the availability of an IRS Outreach instructor to provide 1-hour unit level tax information presentations.

9. Complete review of annual tax flyer and forward it to PAO for final approval and reproduction.
10. Prepare and publish for distribution to unit tax assistors copies of State and local sales tax formula.
11. Prepare and publish for distribution to unit and volunteer tax assistors copies of VITA hotline flyer.
12. Prepare and publish for distribution copies of VITA report forms.

#### First Week of December

1. Pick up Federal income tax publications and forms.
2. Ensure PAO's distribution of Fort Blank's Tax flyer.

#### Second Week of December

1. Finalize list of ACS Volunteer Tax Assistors.
2. Assemble packets to be distributed to UTA and VTAs during classes.
3. Appoint electronic return originators.

#### Last Week of December

1. Confirm the Outreach Program schedule with all units and staff sections interested in participating.
2. Test software for electronic filing.

#### First and Second Weeks of January

1. IRS outreach for units and VITA instruction for Unit and Volunteer Tax Assistors.
2. Conduct Social Security Number Day.

#### Early January

1. Obtain electronic filing password from IRS.
2. Test electronic filing system.
3. Begin distributing tax forms.
4. Begin Fort Blank Tax Assistance Services.
5. Conduct installation/unit 1040EZ Day.

First Week of February

Hold IRS makeup classes.

Third Week of April

1. Conclude Tax Assistance Services (unless overseas).
2. Prepare letters of appreciation.
3. Prepare after action report and final report to IRS.

First Week of May

Prepare after action report for OTJAG. Report is due annually IAW AR 27-3.

## APPENDIX 2 TO FORT BLANK TAX ASSISTANCE SERVICES

### COMMAND SUPPORT

1. The Commanding General, Fort Blank, is the approval authority for the Tax Assistance Services. This appendix includes a sample decision memorandum (encl 1) for coordination within the command. When received back, they are noted on the original and attached. The original is given to the SJA who will take it to the CG.
2. After the CG has approved the program, the letter at Encl 2 is sent to all units on Fort Blank. This is accomplished by forwarding a signed copy of the letter to the Adjutant General's section for reproduction and distribution.
3. Advertise the dates of VITA classes and a notice of where the tax office will be located should be advertised concurrent with the dispatch of the letter at Encl 2.

2 Encls



MEMORANDUM THRU Chief of Staff

FOR Commander, Fort Blank

SUBJECT: Tax Assistance Services

1. PURPOSE. To obtain approval to establish a comprehensive tax assistance program to assist Fort Blank soldiers in the preparation of their 199X Federal and State income tax returns.

2. DISCUSSION.

a. The Fort Blank Staff Judge Advocate Office, Legal Assistance Branch, will supervise the overall tax program and provide a Post Tax Officer to assist and act as primary point of contact for the program.

b. This program is a continuation of the services provided on a post-wide basis for the past X tax seasons. The Internal Revenue Service (IRS) provides instruction for all unit and volunteer tax assistors and supplies the necessary tax forms directly to the post.

c. Company-sized units at Fort Blank should designate one or more unit tax assistors to assist other unit members from 15 January 199X through 30 April 199X. Additionally, volunteer tax assistors will be solicited by ACS from the military community and will provide tax preparation assistance to family members and other eligible persons. Unit and volunteer tax assistors will be trained by IRS Volunteer Income Tax Assistors' (VITA) classes.

d. Detailed guidelines for the 199X Fort Blank Tax Assistance Services are contained at Tab A.

3. RECOMMENDATIONS.

a. That the 199X Fort Blank Tax Assistance Services as described in detail at Tab A be approved.

Encl 1 to Appendix 2

JAGS-XXX

SUBJECT: Tax Assistance Program

b. That all company size units designate one or more unit tax assistors to participate in VITA classes.

c. That volunteer tax assistors be identified by Army Community Services and trained with unit tax officers.

d. That the staff judge advocate implement and monitor the program.

e. That you sign the memorandum at TAB B requiring all unit commanders to appoint UTAs.

2 Encls

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COORDINATION:

APPROVED \_\_\_\_\_

DISAPPROVED \_\_\_\_\_

## 199X Fort Blank Tax Assistance Services

### PURPOSES.

- a. To assist Fort Blank soldiers, family members, and military retirees in the preparation of Federal and State income tax returns.
- b. To supply Federal and State tax forms.
- c. To train unit and volunteer tax assistors to act as income tax preparers.
- d. To electronically file Federal income tax returns.

### OPERATION.

a. The Fort Blank Staff Judge Advocate's (SJA) Office, Legal Assistance Branch, will supervise the overall Tax Assistance Services and provide a Post Tax Officer to assist and act as primary point of contact for the program.

b. Each company-size unit at Fort Blank will provide one or more unit tax assistors for the period 15 January 199X through 30 April 199X. Once trained in income tax form preparation, these individuals will be available to soldiers of the unit who desire help in completing forms. This assistance should be performed during normal duty hours at locations prescribed by the unit commander with minimum interference to unit operations. Unit tax assistors are also encouraged to conduct group sessions for soldiers to prepare simple 1040EZ tax returns.

c. A group of volunteers will be identified by Army Community Services (ACS). These volunteers will be trained in income tax preparation along with the unit tax assistors. The ACS volunteer tax assistors will provide tax assistance from an established tax office at a convenient location such as the ACS building. The ACS volunteers will provide assistance to eligible personnel such as family members of soldiers who are not assigned to the installation. The Volunteer Tax Assistors will be under the supervision and control of the Tax Officer.

d. The Post Tax Officer will be located in the Fort Blank SJA Office in Building \_\_\_\_\_. The telephone numbers will be \_\_\_\_\_. The Tax Officer will distribute forms, as requested, to individuals and to unit tax assistors and serve as primary point of contact for all unit and volunteer tax assistors (TA) and will answer their questions and resolve problems which may arise. The TA will refer any question or problem beyond the TA's ability to the Legal Assistance Branch, which will set up an appointment. The Tax Officer will monitor the public information function of the Tax Assistance Services, ensuring the timely and accurate publication

of articles and messages regarding tax services. The Tax Officer will submit weekly reports to the Fort Blank SJA, summarizing the activity for the week.

e. The Legal Assistance Branch of the Staff Judge Advocate's Office will provide assistance in special cases arising which cannot be resolved by the unit or volunteer tax assistants after consultation with the Post Tax Officer.

#### TRAINING.

a. Tax classes will be presented by the Internal Revenue Service (IRS) to train the unit and volunteer tax assistants under the Volunteer Income Tax Assistors' (VITA) Program of the IRS. State income tax preparation training will also be presented. Unit and volunteer tax assistants will register with the Post Tax Officer at this time as points of contact for their units. There will be X days of instruction scheduled for [Date]. An examination will be given at the end of the class to certify each unit and volunteer tax assistant as a VITA income tax preparer.

b. Each student will receive a packet of training and reference materials. These will be used throughout the class and will later serve as reference material for actual form preparation.

c. Each student will be excused from other duties for the duration of their class. Each student should be reminded that the class will be their place of duty during training.

#### REPORTS.

a. Unit tax assistants will submit a weekly Tax Assistance Report to the installation Tax Officers. Negative reports are required. Reports must be made no later than close of business every Thursday.

b. Immediately after the tax filing deadline unit commanders will complete surveys of tax assistance and forward them through the Commanding General.

## MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: 199X Fort Blank Tax Assistance Services

1. The 199X Income Tax Assistance Services has been approved and will begin with the training of Unit and Volunteer Tax Assistors during the second week of January 199X. The concept for this command program is described in detail at Encl 1.
2. Unit Tax Assistors (UTAs) will assist soldiers and family members in the preparation of their 199X tax returns. Our objective is to provide this preparation assistance within each company-size unit. To accomplish this mission, the Internal Revenue Service will conduct two days of classes at the Post Theater. UTAs will attend classes from 0830 to 1630 on [Date]. Members of the class should arrive at 0830 to receive their packet of materials for the course of study. In addition, these assistors will need to bring pencils, paper, and a clip board to complete practical exercises and the testing portion of the instruction.
3. Request that each company-size unit within your command designate one or more individuals to act as Unit Tax Assistors and notify the Fort Blank Legal Assistance Office in writing NLT 6 January 199X of the individuals designated. Persons selected should be available to perform tax assistance work within their units during the tax season which ends 30 April 199X. Request that you disseminate the contents of this letter to designated Unit Tax Assistors within your command.

FOR THE COMMANDER:

Encl

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DISTRIBUTION:

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Encl 2 to Appendix 2

## APPENDIX 3 TO FORT BLANK TAX ASSISTANCE SERVICES

### IRS COORDINATION

This appendix includes a sample letter for establishing coordination with the IRS Taxpayer Education Office (Encl 1). It also includes a sample VITA Materials Request listing of resource materials which will be needed for the VITA classes (Encl 2). IRS Publication 724, Help Other People With Their Tax Returns, lists IRS Taxpayer Education Coordinators' addresses and telephone numbers. Be sure to order IRS Publication 1045, Information for Tax Practitioners, for use in reactivating the installation account on the Tax Practitioner Mailing List and ordering informational copies of forms and schedules.

2 Encls

Office of the Staff Judge Advocate

Mr. Name  
Taxpayer Education Office  
500 22nd Street, South  
Birmingham, Alabama 35233

Dear Mr. Name:

As I explained to you over the telephone last week, I am the Tax Officer for Fort Blank and will be organizing our Tax Assistance Services this year. As in the past, we plan to run an extensive Volunteer Income Tax Assistor's Program and solicit your support. We plan to identify about \_\_\_\_\_ unit and volunteer tax assistors who would have to be trained. They will provide assistance to our military and dependent population of about \_\_\_\_\_ people at Fort Blank.

We are tentatively scheduling the training for [Date] and would request that you provide us with two VITA instructors on those days. I will make hotel reservations for them if desired. Additionally, we would also like to participate in operation Outreach this year and would appreciate your providing us with instructors for various one hour classes to be presented during the months of January and February. I will also be sending you a request for VITA forms and training materials.

Please let me know whether IRS can support us in these areas and whether the suggested dates for the VITA training will be satisfactory. Please feel free to contact me at \_\_\_\_\_ if you have any questions.

I look forward to a very successful tax assistance program this year and thank you in advance for your cooperation and support.

Sincerely,

Encl 1 to Appendix 3

## VITA MATERIALS REQUEST

The following materials are needed to conduct the VITA Course at Fort Blank:

<u>Form #</u>	<u>Amount</u>	<u>Publication #</u>	<u>Amount</u>
1040*	___ cases	1040 Instructions	___ cases
1040A*	___ cases	17	___
1040EZ*	___ cases	678, Vol 1	___
729A (Poster)	___	678, Vol 2	___
853	___	678M	___
E-138	___ cases	1132**	___
		1194 Vols 1-4**	___

\* - VITA Overprint

\*\* - One copy per tax office

### VITA Materials:

- Form 2333V, Taxpayer Education Order Form
- Pub 724, Help Other People With Their Tax Returns (lists IRS Taxpayer Education Coordinators addresses and telephone numbers).
- Pub 1084, VITA Volunteer Coordinator's Handbook (provides guidelines on how to establish a VITA site and publicize and manage it effectively).

Encl 2 to Appendix 3



## APPENDIX 4 TO FORT BLANK TAX ASSISTANCE SERVICES

### REQUESTING TAX FORMS

1. Encl 1 is a sample letter requesting State tax forms from all States having a State income tax. The address should include an attention line: ATTN: Forms Supply Office.
2. Encl 2 is a listing of the addresses of the State offices of all States which have a State income tax. This list should be compared annually with the current All States Income Tax Guide published by the Air Force.
3. The SJA office should annually maintain a reporting service such as CCH or PH covering both State and Federal income tax. For example, CCH publishes a State Tax Guide which includes reproducible copies of all State tax forms along with instructions on how to complete the forms and other discussions of the State tax law for all 50 States. While the office should continue to order State tax forms in bulk from the States (this is the most economical way to get the forms) past experience is that not all States will send sufficient types and numbers of forms to meet the needs of the office. Accordingly, these services will provide an easy fix to an otherwise difficult problem.

2 Encls

Office of the Staff Judge Advocate

Alabama Department of Revenue  
Income Tax Forms  
P.O. Box 327470  
ATTN: Forms Supply Office  
Montgomery, Alabama 36132-7410

Dear Sir or Madam:

As Post Tax Officer for Fort Blank, it is my responsibility to assist our personnel in obtaining the forms needed to file State income tax returns for the calendar year 199X. There are approximately \_\_\_\_\_ soldiers plus dependents residing at Fort Blank. Past experience has shown that it is more efficient for both the State and military installation to obtain the State forms in one bulk mailing rather than have each soldier order them individually.

Please forward \_\_\_\_\_ copies each of your State income tax forms and instruction booklets, including but not limited to: short and long resident forms, nonresident refund forms, and any other documents required for filing a return in your State.

Please ship these forms and instruction booklets to:  
Commander, Fort Blank  
Attention: Office of the Staff Judge Advocate  
(Tax Officer)  
Fort Blank, \_\_\_\_\_

Five address labels are enclosed for your convenience.

Should there be a problem with forwarding the materials to me, please contact me at your earliest convenience. Your prompt assistance will enable soldiers and their family members to complete their State returns in a timely manner.

Encl 1 to Appendix 4

## STATE TAX AUTHORITIES

Alabama Department of Revenue  
Income Tax Form  
P.O. Box 327470  
Montgomery, Alabama 36132-7470

Arizona Department of Revenue  
Forms Distribution Unit  
1600 West Monroe  
Phoenix, Arizona 85007

Department of Finance and Administration  
Income Tax Section  
P.O. Box 3628  
Little Rock, Arkansas 72203-3628

State of California  
Franchise Tax Board  
P.O. Box 942840  
Sacramento, California 94240-0040

State of Colorado  
Department of Revenue  
1375 Sherman Street  
Denver, Colorado 80261

Connecticut Department of Revenue Services  
92 Farmington Avenue  
Hartford, Connecticut 06105

Division of Revenue  
820 N French Street  
Wilmington, Delaware 19899-2044

District of Columbia  
Department of Finance and Revenue  
Municipal Center Building  
300 Indiana Avenue, N.W.  
Washington, D.C. 20001

Department of Revenue  
Income Tax Division  
508 Trinity-Washington Building  
270 Washington Street, S. W.  
Atlanta, Georgia 30334

Encl 2 to Appendix 4

State of Hawaii  
Department of Taxation  
830 Punchbowl Street  
Honolulu, Hawaii 96813  
(800) 222-7572, (808) 548-7572

Idaho State Tax Commission  
Income Tax Division  
800 Park Building  
Boise, Idaho 83756-0201

State of Illinois  
Department of Revenue  
101 W. Jefferson Street  
Springfield, Illinois 62794-9044

Indiana Department of Revenue  
Income Tax Division  
100 North Senate Avenue  
Indianapolis, Indiana 46204-2253

Iowa Department of Revenue & Finance  
Hoover State Office Building  
Des Moines, Iowa 50319-0120

Department of Revenue  
Income Tax Division  
Docking State Office Building  
Topeka, Kansas 66612-2001

Commonwealth of Kentucky  
Property and Mail Services Section  
859 East Main Street  
Kentucky Revenue Cabinet  
Frankfort, Kentucky 40620

State of Louisiana  
Department of Revenue and Taxation  
P.O. Box 201  
Baton Route, Louisiana 70823-0001

Maine Bureau of Taxation  
Forms Office  
Augusta, Maine 04332-1067

State of Maryland  
Comptroller of the Treasury  
Income Tax Division  
Annapolis, Maryland 21411-0001

Commonwealth of Massachusetts Department of Revenue  
Forms Service and Supply Center  
100 Cambridge Street  
Boston, Massachusetts 02204

Michigan Department of the Treasury  
Individual Income Tax Division  
Treasury Building  
Lansing, Michigan 48922

State of Minnesota  
Department of Revenue  
Income Tax Division  
Minnesota Tax Forms-Mail Station 7131  
St. Paul, Minnesota 55146-71311

State Tax Commission  
Income Tax Division  
P.O. Box 960  
Jackson, Mississippi 39205

Missouri Department of Revenue  
Office of Divisional Support Services  
P.O. Box 3022  
Jefferson City, Missouri 65105-3022

Montana Department of Revenue  
Income Tax Division  
P.O. Box 5805  
Helena, Montana 59604-5805

Nebraska Department of Revenue  
Box 94818  
Lincoln, Nebraska 68509-4818

State of New Hampshire  
Department of Revenue Administration  
61 South Spring Street  
Concord, New Hampshire 03301

New Jersey Division of Taxation  
ATTN: Forms Distribution Section  
50 Barrack Street CN269  
Trenton, New Jersey 08646-0269

State of New Mexico  
Taxation and Revenue Department  
P.O. Box 630  
Santa Fe, New Mexico 87504-0630

New York State Tax Department  
Taxpayer Assistance Bureau  
W.A. Harriman Campus  
Albany, New York 12227

State of North Carolina  
Department of Revenue  
Income Tax Division  
P.O. Box 25000  
Raleigh, North Carolina 27640

State of North Dakota  
Office of the Tax Commissioner  
State Capitol  
600 East Boulevard Avenue  
Bismarck, North Dakota 58505-0551

State of Ohio  
Department of Taxation  
Taxpayer Services  
P.O. Box 2476  
Columbus, Ohio 43266-0076

Oklahoma Tax Commission  
Income Tax Division  
2501 Lincoln Blvd  
Oklahoma City, Oklahoma 73149-0009

Oregon Department of Revenue  
Forms  
P.O. Box 14999  
Salem, Oregon 97309-0990

Pennsylvania Department of Revenue  
Tax Forms Service Unit  
2850 Turnpike Industrial Drive  
Middletown, Pennsylvania 17057-5492

State of Rhode Island  
Division of Taxation  
One Capital Hill  
Providence, Rhode Island 02908-5801

South Carolina Tax Commission  
Forms Office  
P.O. Box 125  
Columbia, South Carolina 29214-0015

State of Tennessee  
Department of Revenue  
Franchise, Excise, and Income Tax Division  
Andrew Jackson State Office Building  
Nashville, Tennessee 37242-0482

State Tax Commission of Utah  
Heber M. Wells Bldg.  
160 E. Third South  
Salt Lake City, Utah 84134

Vermont Department of Taxes  
Pavilion Office Building  
Montpelier, Vermont 05602

Virginia Department of Taxation  
Forms Request Unit  
P.O. Box 1317  
Richmond, Virginia 23210-1317

Department of Tax and Revenue  
Taxpayer Services Division  
P.O. Box 3784  
Charleston, West Virginia 25337-3784

Wisconsin Department of Revenue  
4638 University Avenue  
Madison, Wisconsin 53702

## APPENDIX 5 TO FORT BLANK TAX ASSISTANCE SERVICES

### ACS VOLUNTEER TAX ASSISTORS

1. Army Community Services will be the action agency for obtaining volunteers to staff the tax office(s).
2. A sample notice to be placed in the daily bulletin announcing the program and soliciting volunteers is below.
3. A sample article for the post newspaper announcing the program and soliciting volunteers is on the next page.
4. Volunteers should agree to donate a minimum number of hours of service in the Tax Assistance Services as a condition to receiving the training and participating in the program.

### SAMPLE ANNOUNCEMENT FOR THE WEEKLY BULLETIN

Fort Blank will again operate a tax office during the income tax filing season to assist soldiers and their family members in income tax preparation. The office will be located in the ACS building and will be open from 0900 to 1200 hours on Mondays, Wednesdays, and Fridays. ACS is soliciting volunteers to staff the office. Personnel who participate will receive two days of training from IRS instructors in income tax preparation. The instruction will be given on dates, from 0800 to 1630 hours. Personnel interested in participating would have to be available for training on both of those days and should be willing to donate at least six hours per week during the months of February and March, and during the first two weeks of April. Interested persons should contact Army Community Services, \_\_\_\_\_, telephone number \_\_\_\_\_, not later than 1 December 199X.



## MODEL ARTICLE ON TAX ASSISTANCE SERVICES

Tax season approaches and Fort Blank is again preparing to provide first rate Tax Assistance Services. As in the past, Federal and State tax preparation assistance will be offered to soldiers and their families. These services save soldiers the costs of paying a commercial agency to prepare their taxes. Assistance is offered from two primary sources. First, a unit tax assistor will be designated in each company sized unit. That person will give assistance to soldiers in the unit in preparing income taxes. Second, a group of volunteers will be identified by Army Community Services. These volunteer tax assistors will man a post Tax Office which will be located in the ACS building. The Tax Office will offer assistance from 0800 to 1200 every Monday, Wednesday, and Friday. Both Unit and Volunteer Tax Assistors will receive two comprehensive days of training from Internal Revenue Service instructors on dates. Tax problems which arise that are beyond the scope of the unit or volunteer tax assistors will be referred to the Legal Assistance Office.

The ACS office is now looking for volunteers to staff the Tax Office. Persons interested in participating in this program would have to be available for the training on dates, and should be willing to donate a minimum of six hours per week during the tax filing season (15 January to 15 April). The training received should prove valuable to the individual for years to come. Anyone interested in participating in the program as a volunteer tax assistor should contact \_\_\_\_\_ at \_\_\_\_\_ not later than 1 December 199X.

## APPENDIX 6 TO FORT BLANK TAX ASSISTANCE SERVICES

### OPERATION OUTREACH

Below is a list of steps for having a successful outreach program. The first step is to obtain IRS support of the program. The Tax Officer can augment the IRS instruction or even substitute for the IRS instruction if IRS is not able to support the program.

#### OUTREACH PROGRAM (11 STEPS FOR SUCCESS)

1. Get a firm commitment from the IRS Taxpayer Education Office for a qualified IRS Instructor and firm instruction dates.
2. Begin advertising in the daily bulletin and post newspaper approximately ten weeks prior to the scheduled training dates. Contact the S3 of major subordinate commands to gain their support and have them schedule outreach classes as part of unit training.
3. Contact CPO to coordinate tax sessions for civilian employees.
4. Confirm all training requests and coordinate date, time, and POC for all unit training.
5. Coordinate date, time and location for open training sessions.
6. Coordinate filming of several taxpayer tip vignettes with IRS instructors and the Fort Blank TV Station.
7. Finalize and publish the Outreach Program training schedule. Forward a copy of the schedule to the assigned IRS instructor.
8. Call each unit POC one day in advance of training to confirm location and that unit training is still scheduled.
9. Identify an escort for the IRS instructor (preferably tax qualified). Escort will provide transportation for the IRS instructor.
10. Verify arrival and accommodations for the IRS instructor. Notify the instructor of the designated escort and coordinate their meeting.
11. Have escort prepare an after-action report to include the number of people attending and suggestions for program improvement.

## **APPENDIX 7 TO FORT BLANK TAX ASSISTANCE SERVICES**

### **PUBLICITY**

Success of the Tax Assistance Services depends on a vigorous information campaign. The Tax Officer should make maximum use of all forms of media available, including the post newspaper, radio station, television station, weekly bulletin, posters, and chain of command information resources. You may find it helpful to insert copies of your past efforts in this appendix.

## APPENDIX 8 TO FORT BLANK TAX ASSISTANCE SERVICES

### REPORTS

1. IRS will require that the installation make weekly reports of assistance rendered. IRS needs this data to justify the resources they extend to support the installation. Accordingly, the Tax Officer must coordinate to insure availability of the data. The Tax Officer should make early coordination with IRS concerning the format for the report. [Insert a copy of the standard IRS report following this page.]

2. The Tax Officer should have sufficient copies of the report reproduced so they can be distributed to Unit and Volunteer Tax Assistors during the VITA classes. During those classes, the Tax Officer should explain the report and the procedures for keeping and reporting the statistics. Unit Tax Assistors should be required to report their figures through command channels to insure command level interest in the program.

Encl

## **APPENDIX 9 TO FORT BLANK TAX ASSISTANCE SERVICES**

### **UNIT TAX ASSISTORS**

Document the designation of unit tax advisors using a form similar to the enclosed. This appendix also includes sample letters of commendation and certificates of recognition for good work as unit tax assistors [add samples from prior years after sample form].

Encls

//OFFICE//

[DATE]

MEMORANDUM FOR Commanding General, III Corps and Fort Blank,  
ATTN: Post Tax Coordinator, Fort Blank, Texas  
76544-5056

SUBJECT: Duty Appointment - Unit Tax Advisor

Effective this date, (RANK), (NAME), (SSN),  
of (UNIT), whose telephone number is  
                    , is appointed as indicated:

- a. APPOINTED AS: UNIT TAX ADVISOR (UTA).
- b. AUTHORITY: Memorandum, HQ (AFZF-CG), III Corps & Fort Blank, Fort Blank, Texas.
- c. PURPOSE: To comply with the directive of the Commanding General, III Corps and Fort Blank, as set out in the Fort Blank Tax Assistance Services.
- d. SPECIAL INSTRUCTIONS:
  - (1) This UTA will be available to assist unit and family members in the preparation of their Federal and State income tax returns during normal duty hours throughout the entire tax season (January - April).
  - (2) This UTA will attend an IRS training seminar in January.
  - (3) This UTA possesses the requisite math and reading skills and has experience in completing his/her own income tax return.

UNIT COMMANDER'S  
Signature Block

Encl 1 to Appendix 9

## CHAPTER 3

### ELECTRONIC FILING OF FEDERAL INCOME TAX RETURNS

Providing electronic filing for federal income tax returns is one of the major components of tax assistance services at many installations. Electronic filing allows taxpayers to submit their returns electronically instead of filing a paper return with the Internal Revenue Service (IRS). According to the IRS, electronic filing promotes faster and more accurate return processing and quicker refunds.

To electronically file tax returns, legal assistance offices must have two components in place:

- a. A method of converting tax returns to electronic impulses--the tax preparation software; and
- b. A method of transmitting those impulses to the IRS--transmission capability.

Legal assistance offices desiring to participate in electronic filing must submit IRS Form 8633, Application to Participate in the Electronic Filing Program, to the IRS service center for the state in which the office is located. For example, a legal assistance office located in Maryland would send its application to the IRS Andover Service Center in Massachusetts. Legal assistance offices that previously participate in electronic tax filing do not have to submit a new Form 8633 unless information contained in the original application has changed.

The IRS annually publishes a handbook for use in electronic filing, Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns. It contains an overview of the electronic filing program; explanations of the application and acceptance processes; a description of electronic returns and how they are filed; and general information for use by electronic tax filers. It also contains Revenue Procedure 91-69, Obligations of Participants in the Electronic Filing Program for Form 1040, U.S. Individual Income Tax Return. This procedure tells electronic tax filers their obligations to the IRS and others once they begin participation in the program.

Electronic filing of tax returns is a valuable service for legal assistance clients. Legal assistance offices however, must be careful to verify the taxpayer's documentation to ensure the return is accurate. The IRS monitors electronically filed returns for suspicious factors that may indicate a fraudulent return. According to information disseminated by the IRS, fraud attempts by individual taxpayers usually involve inflating legitimate expenses and deductions or filing several returns claiming refunds.

With electronic filing, taxpayers can elect to have their refunds deposited directly to a designated bank account. Before the refund check is deposited, however, the IRS checks to see if the taxpayer owes money to the government--such as for a defaulted student loan, or is behind on child support payments. If the taxpayer owes money, then the IRS uses the tax intercept program to take the refund and apply it toward the indebtedness.

Although seizure by the IRS of a refund does not directly impact upon tax assistance services, it does affect commercial tax preparers that offer refund anticipation loans to their customers. If the commercial tax preparer lends money to the customer and the refund never is deposited into the servicing bank's account, the lending institution will turn to the customer for repayment of the loan. Now you may have a legal assistance client who has to figure out a way to repay this loan once (s)he realizes that the refund is not available for that purpose. Only then do some taxpayers realize that they signed loan paperwork. Moreover, many are more surprised to learn how high the interest rate is.

The IRS made some changes for the 1993 filing season (tax year 1993) that will affect electronic tax filing. First time electronic filers must file a paper return since this is the category of filers most likely involved in filing fraudulent returns. The IRS will check IRS records before a return is accepted for processing to verify that the Form W-2 contains a valid employer identification number. The IRS will validate the social security numbers of children listed on returns claiming the earned income credit before accepting a return for processing. The IRS also will require preparers to advise the IRS whether the taxpayer is seeking a refund anticipation loan.

Electronic filing of federal income tax returns benefits many military taxpayers and is an important part of aggressive tax assistance services. Legal assistance offices are urged to emphasize its importance to the command and make it as widely available to the military community as possible.



## CHAPTER 4

### THE ARMED FORCES TAX COUNCIL

The Department of Defense (DoD) created the Armed Forces Tax Council (AFTC) on 1 December 1988.<sup>1</sup> Several offices within DoD provide members for the AFTC. Each of the Service Secretaries designates a representative. The Assistant Secretary of Defense (Force Management and Personnel) designates the Executive Director (formerly called the chair). The Assistant Secretary of Defense (Reserve Affairs), DoD Comptroller, and DoD General Counsel each designate another member.

The AFTC coordinates matters affecting Federal, State, local, and foreign tax liabilities of service members and the related obligations of the military departments as employers. The AFTC coordinates current and proposed DoD publications and requests rulings and comments on tax matters from the Treasury Department, the Internal Revenue Service (IRS), and state taxation authorities. It also reviews and makes legislative proposals affecting the tax obligations of service members and the military departments; requests interpretations of tax laws as required by DoD offices; and provides advice on tax policy matters.

In the summer of 1993, the AFTC was involved with these federal, state, and local tax issues:

- Increasing the combat zone tax exclusion from \$500 to \$2,000 for each month an officer serves in the combat zone.<sup>2</sup>

- Providing tax relief for service members who receive Homeowners Assistance Program benefits because of base closures.

- Evaluating the scope of Internal Revenue Code (IRC) § 134 on "qualified military benefits" and whether the statute should be amended.

- Requesting intervention in State and local tax cases when a taxing authority violates the provisions of the Soldiers' and Sailors' Relief Act of 1940 regarding taxation of personal property, e.g., so-called "use tax" is in reality a personal property tax on a service member's car.

Legal assistance attorneys (LAAs) should be aware of a memorandum issued by DoD General Counsel requiring DoD attorneys to obtain approval from the DoD Office of General Counsel and from the general counsel of their military departments before requesting rulings or opinions of issues with general military applicability from non-DoD agencies, e.g., the IRS, Treasury Department. Army attorneys who wish to raise such issues so as to obtain rulings or opinions on tax matters should send their requests to the Army AFTC representative at the Legal Assistance Division, Office of the Judge Advocate General, 2200 Army Pentagon, Washington, D.C. 20310-2200.

1. See Dep't of Defense Directive 5124.3, Armed Forces Tax Council (Dec 1, 1988).
2. See generally IRC § 112 (Maxwell Macmillan 1992).